

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814
(916) 323-4963



April 14, 1982

ALL-COUNTY INFORMATION NOTICE I-44-82

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: REDUCTION OF U.S. POSTAL SERVICE ISSUANCE FEES AND PROPOSED CHANGES
TO DIRECT MAIL ISSUANCE

REFERENCE:

The purpose of this letter is to inform you of impending changes in direct mail issuance guidelines and alert you to a decrease in over-the-counter issuance fees by the U.S. Postal Service. The over-the-counter issuance fee which was previously announced as \$1.71 has been adjusted downward to \$1.53. This adjustment will be effective retroactive to October 1, 1981. If your agency has an agreement with the Postal Service, you are free to contact the Post Office to implement the new fee and arrange the retroactive adjustment.

Substantial changes are expected in the Food Stamp Act of 1977. The Reauthorization Bill PL 97-98 contains language to the effect that state agencies will be liable for coupons and ATP's issued through the mail that are subsequently reported lost and replaced. Although the language is not specific as to an exact acceptable percentage loss figure to be set by the Secretary of Agriculture, it is believed that the allowable replacement rate will be from zero to one percent of all coupon dollars issued or one thousand dollars, whichever is less. The recent state-federal Deregulation Task Force recommended a tolerance loss level of .7 percent.

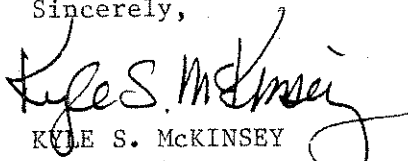
In the interest of reducing mail loss rates it should be recognized that there are three principal areas for potential loss of food coupons: mishandling within the postal system; theft from mail boxes; and clients reporting nonreceipt to receive a duplicate issuance. Since county agencies have different procedures, we are supplying the following listing of strategies for reduction of mail issuance loss for your information and possible implementation.

1. Sealed pouches of all envelopes addressed to the same zip code may be delivered directly to the Post Office responsible for that particular zip code. This technique will improve accountability at the local Post Office and avoid mail handling required for inter-post office transfers.
2. A county may require recipients who reside in identified "high risk" housing areas to have coupons mailed by certified mail or received over-the-counter at certification sites. Entire zip code areas may also be identified as "high risk" and be similarly treated.
3. Counties may establish an issuance policy whereby coupon amounts in excess of a certain figure, i.e., \$100.00 are not mailed and alternate systems of delivery are utilized.
4. Because of the limited security for coupons mailed to general delivery addresses, counties may opt to adopt a policy of requiring these households to obtain their coupons by a method other than mail issuance.
5. Counties may opt to return to over-the-counter ATP and HIR systems to reduce the high program dollar losses they are incurring.

State regulations restricting the number of losses, either ATP or coupons, that a household may have replaced are expected to be in effect by September 1982.

If you have any questions or need further information, please contact your Food Stamp Program Consultant at (916) 322-5475.

Sincerely,


KYLE S. MCKINSEY
Deputy Director
Welfare Program Operations